

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2891 - HB 3004

March 3, 2010

SUMMARY OF BILL: Requires the State Employee Health Plan to include a supplemental program that pays cash benefits for covered events. Requires the insurance company contracting with the state as a term life coverage provider to notify a participant 60 days prior to a termination date if the coverage expires when the participant reaches a certain age.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – Exceeds \$100,000/One-Time
Exceeds \$100,000/Recurring**

Assumptions:

- According to the Department of Finance and Administration, consulting services for the design, development, and procurement process will result in a one-time increase in expenditures which exceeds \$100,000.
- The State Insurance Committee is authorized to determine the benefits package, funding method, administrative procedures, eligibility provisions, and rules relating to the program. Due to several unknown factors, it is impossible to quantify an exact fiscal impact but is reasonably determined to exceed \$100,000.
- According to the Department of Finance and Administration, there is not an age based provision terminating the term life coverage authorized. There will not be a fiscal impact for requiring notification by the insurance company.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, reading "James W. White".

James W. White, Executive Director

/kml